

Pipeline and Hazardous Materials Safety Administration

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 2, 2008

Mr. Dan Britton President Fairbanks Natural Gas 3408 International Way Fairbanks, AK 99701-9701

CPF 5-2008-3001M

Dear Mr. Britton:

On November 16-18, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected the Fairbanks Natural Gas procedures for Operations and Maintenance (O&M) in Fairbanks, Alaska.

On the basis of the inspection, PHMSA has identified the apparent inadequacy found within your plans or procedures, as described below:

1. §193.2017 Plans and procedures.

(a) Each operator shall maintain at each LNG plant the plans and procedures required for that plant by this part. The plans and procedures must be available upon request for review and inspection by the Administrator or any State Agency that has submitted a current certification or agreement with respect to the plant under the pipeline safety laws (49 U.S.C. 60101 et seq.). In addition, each change to the plans or procedures must be available at the LNG plant for review and inspection within 20 days after the change is made.

§193.2915 Alternative power sources.

An alternative source of power that meets the requirements of §193.2445 must be provided for security lighting and security monitoring and warning systems required under §§193.2911 and 193.2913.

At the time of the inspection, Fairbanks Natural Gas's O&M Manual did not have an adequate procedure to demonstrate that they have an alternate power source for security lighting.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance Proceedings. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to CPF 5-2008-3001M and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal

Director, Western Region

Pipeline and Hazardous Materials Safety Administration

cc:

PHP-60 Compliance Registry PHP-500 B. Brown (#120709)

Enclosure: Response Options for Pipeline Operators in Compliance Proceedings